



April 19, 2012

Registration and Title Bulletin # 010-12 Policy and Procedure

TO: All County Tax Assessor-Collectors

SUBJECT: Transfer Fee and License Plate “Needs” Replacement

PURPOSE

To inform you of requirements related to vehicle registration reviewed by the Tax Assessor-Collector Special Advisory Committee, which was established this year to promote consistency statewide in duties related to title and registration.

DETAILS

The advisory committee recommended sending a reminder pertaining to the mandatory \$2.50 Transfer Fee, and replacement of license plates at seven years.

Collection of \$2.50 Transfer Fee

Texas Transportation Code, Sec. 502.192. The purchaser of a used motor vehicle **shall pay**, in addition to any fee required under Chapter 501 for the transfer of title, a transfer fee of \$2.50 for the transfer of the registration of the motor vehicle. The county tax assessor-collector may retain as commission for services provided under this subchapter half of each transfer fee collected.

Statute requires collection of the \$2.50 Transfer Fee if Texas registration is current on the vehicle at the time of title transfer. In a private party sale, the fee is collected whether or not the buyer renews registration on the vehicle at the time of transfer. The collection of the \$2.50 Transfer Fee does not apply to vehicles sold by dealers since they are required to collect 12 months of registration at time of sale.

“Needs” Replacement Requirement (plate age at 7 years)

Texas Administrative Code, Sec. 217.22. The county tax assessor-collectors **shall issue new** license plates, including permanent trailer plates, at no additional charge at the time of registration renewal provided the current plates are over seven years old from the date of issuance.

The requirement that license plates be replaced every seven years due to the loss of reflective material on the plates is a safety concern for law enforcement. Some counties have overridden the requirement and reissued the existing plate number, at the request of the customer. The replacement at over seven years is a Texas Administrative Rule requirement that must be followed.

COUNTY ACTION

Please distribute these reminders to your staff:

Statute requires: The \$2.50 Transfer Fee must be charged to transfer the remaining Texas registration to the new owner.

Administrative Code requires: When NEW PLATES REQUIRED is displayed on the renewal or in the system, new license plates must be issued.

CONTACT

If you have questions, please contact your local TxDMV Regional Service Center.

Sincerely,



Randy Elliston, Director
Vehicle Titles and Registration Division